

**2024 Annual Meeting
September 12, 2024
General Questions & Answers**

In addition to the questions [answered live](#) during the 2024 Annual Meeting, the Home Construction Regulatory Authority (HCRA) addressed and responded to all written questions submitted by attendees. Please see general questions and their answers available to the public:

1. Why is illegal building a top priority for the HCRA?

Illegal building is a major consumer protection issue in Ontario and a top priority for the HCRA. When builders and sellers operate without a licence – a practice known as illegal building – it puts the public at risk and creates an uneven playing field for the industry. When illegal building occurs, consumers do not get the protections that come from their builder being properly licensed and held to professional standards. Also, illegal builders and sellers are not bound by the [Code of Ethics](#), which means you could be working with dishonest, unethical people.

To deter illegal building and ensure builders adhere to the professional and ethical standards of the industry, the HCRA has grown its Investigations team and utilizes a range of regulatory tools, including prosecution, monetary penalties, restitution, and compliance orders. For example, the HCRA lays provincial charges for illegal building and selling aimed at both individuals and companies, with escalating penalties for repeat offenders.

Additionally, as of February 2023, a new provincial regulation allows the HCRA to impose administrative penalties (a financial penalty similar to a fine) of up to \$50,000 per violation on Ontario home builders or sellers who breach their legal and ethical obligations.

The HCRA takes complaints regarding illegal building and selling seriously. It's also important to note that determinations are based on the evidence of the case and that not all complaints result in guilty findings or penalties. As highlighted in our [Annual Report](#), upon investigation, builders may choose to voluntarily comply with licensing regulations and adhere to the rules and expectations of the industry.

If you have information about a builder or seller operating without a licence, please submit a complaint about illegal building through our [website](#) and we will investigate the matter.

2. If I have a complaint about my builder, should I contact both the HCRA and Tarion?

The HCRA licences and enforces professional standards for builders, while Tarion delivers Ontario's new home warranty and protection program for new homes. If the concern relates to builder conduct or competency, those matters should be addressed to the HCRA.



Tarion is responsible for resolving disputes between builders and homeowners about construction defects with their new home. As such, if there is a defect concern related to a new home, you should contact Tarion. In some cases, there may be overlapping concerns, in which case our organizations will proactively consult one another to share information and decide the future course of action.

3. How are homeowner complaints prioritized at the HCRA?

The HCRA understands the urgency many homeowners feel when they submit a complaint. The HCRA is committed to responding to every complaint it receives, with the most serious matters given the highest priority. Some factors that determine whether a matter is “high risk” include:

- Potential harm to consumers or the public
- Number of complaints received
- Complaints history of the builder
- Severity of the alleged actions taken by the builder

The HCRA’s complaint system operates on two fundamental principles: giving consumers a clear path to voice their concerns and ensuring fair adjudication of the matter for all parties involved. In this past year we’ve implemented new processes, including getting back to complainants within 3-5 days. We’ve also expanded our team, and we are operating beyond our set targets and have closed 60% of the complaints we received.

4. What has the HCRA done to enhance the Ontario Builder Directory?

Protecting consumers and supporting them on their home buying journey is the HCRA’s top priority. Our satisfaction survey to thousands of new and prospective homebuyers indicated the majority are pleased with the resources provided by the HCRA and that the information on our website is valuable and a primary source of contact, including the [Ontario Builder Directory](#).

The Builder Directory is continually being enhanced to give new and prospective home buyers more information and awareness when researching builders and sellers. This includes a new section on “**Related Companies**” to show consumers a summary of the licence status and any regulatory actions associated within a group of companies that share common leadership (Principals, Directors or Officers). Information on related companies may be helpful for consumers researching builders and sellers to give a full picture of the company’s operations and history – including other projects the leadership has been involved with, their experience, and track record of conduct.

We have also added a new banner on builder profiles who are in **Receivership**, so homebuyers are aware when a licensee is subject to insolvency proceedings which could impact their financial viability. To promote awareness of the Builder Directory, the HCRA continues to engage in extensive digital advertising, including campaigns on Google, Spotify, radio, and social media, and other online and print publications.

5. Why is it important for homebuyers to verify that their builder is licensed and following the rules? Isn't that the HCRA's responsibility?

It is the HCRA's responsibility to licence the people and companies building new homes in Ontario and to hold the new homebuilding industry to professional standards.

At the same time, we recognize consumer protection involves everyone working together and that it is important for purchasers to have the necessary resources to be vigilant and protect themselves as they navigate the complexities of buying a new home. This includes checking the Ontario Builder Directory to ensure their builder is properly licensed, and reporting complaints about a builder's behaviour or competency to the HCRA so we can investigate the matter further and protect the public.

6. What steps is the HCRA taking to promote ethical behavior within the homebuilding industry?

Under the Code of Ethics, the HCRA has made it abundantly clear to builders that intimidation and coercion are unacceptable and considered professional misconduct. In [Advisory #12 to licensees](#), the HCRA reiterated the rules and conduct expectations builders are required to follow. These rules apply to the HCRA's complaints process and the ability for consumers to voice concerns about the conduct of a licensee.

To be clear, at no time are builders permitted to intimidate or coerce consumers from submitting or withdrawing a complaint to the HCRA or discussing their concerns about a builder with the HCRA in any way. Additionally, the HCRA issues Advisories based on real-life scenarios to educate builders on their ethical responsibilities, including reporting illegal activity they see (more details are noted in [Advisory #13](#)). We also meet regularly with builders and industry stakeholders (such as municipal inspectors) to ensure they understand the HCRA's conduct expectations and complaints process.

Furthermore, the HCRA employs several tactics to ensure builders comply with the law, behave ethically, and meet specific competencies for building and selling new homes. Alongside our complaints processes and ability to look at the bigger picture to identify concerns even without a complaint, the HCRA annually reassesses a builder's eligibility for license renewal. This includes considering their financial viability, reviewing ownership changes, and any information about other involved individuals and corporations that may be relevant to assessing risk. We also review their conduct history for any red flags.